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Province of British Columbia

Ministry of Finance and Corporate Relations

Annual Report

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October 1, 1990

The Honourable David C. Lam
Lieutenant-Governor
Province of British Columbia

May it please your Honour:

I am pleased to submit to you the annual report of the Ministry of Finance and Corporate Relations for the period April 1, 1989 to March 31, 1990.

Mel Couvelier
Minister of Finance
and Corporate Relations

October 1, 1990

Honourable Mel Couvelier
Minister of Finance
and Corporate Relations
Province of British Columbia

Sir:

I have the honour of submitting the annual report of the Ministry of Finance and Corporate Relations for the period April 1, 1989 to March 31, 1990.

David Emerson
Deputy Minister of Finance
and Corporate Relations

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Deputy Minister's Message

I am pleased to present this annual report which outlines the activities of the Ministry of Finance and Corporate Relations during the fiscal year ending March 31, 1990.

During this period the ministry's organizational structure was expanded by the addition of the Loan Administration Branch in June 1989 and the Government Personnel Services Division in November 1989, as well as the creation of the Financial Institutions Commission in November 1989.

I would like to highlight a few achievements of the ministry which represent the ministry's two roles: providing centralized services to facilitate the efficient functioning of government, and contributing to the development of the economy through its Corporate Relations mandate.

The Credit Union Deposit Insurance Corporation and the Office of the Superintendent of Financial Institutions were merged in November 1989 to prepare for the proclamation of the *Financial Institutions Act* in 1990.

The new Financial Institutions Commission will ensure that financial institutions in British Columbia are regulated by an efficient single agency. It has a strong mandate to oversee public protection while imposing the lowest possible compliance burden on the industry.

With the passage of the *Personal Property Security Act* in 1989, British Columbia has moved to the forefront in facilitating the use of personal property as loan collateral. This modern legislation will streamline commercial activity in the province by making commercial financing easier.

The Loan Administration Branch of Provincial Treasury was formed in June 1989 to centralize the administration and collection of loans and loan guarantees for a number of ministry programs, enhancing the efficiency of government.

Government Personnel Services Division was transferred in November 1989 to the Ministry of Finance and Corporate Relations from the Ministry of Government Management Services, consolidating the central personnel services provided to the rest of government with other types of services provided by Treasury Board Staff and the Office of the Comptroller General.

I am proud of the dedication and professionalism of the ministry's employees. It is such qualities and the ministry's ability to successfully implement initiatives like these that have earned respect for this ministry throughout government.

David Emerson
Deputy Minister

Mission and Values Statement

It is the mission of the Ministry of Finance and Corporate Relations to ensure:

- public monies are collected, managed and disbursed in the public interest;
- the provincial marketplace is fairly and effectively governed, is free from unnecessary regulation and has the confidence of all who use it; and,
- all data is collected and disseminated as reliable statistical information.

Context

In the Government of British Columbia, responsibility for financial administration is shared by individual ministers, Treasury Board and the Minister of Finance and Corporate Relations.

Section 6(3) of the *Financial Administration Act* states:

"Each minister is responsible for the administration of the financial affairs of his ministry, under the general direction of the Minister of Finance and Corporate Relations and the Treasury Board."

Treasury Board is the executive management committee of Cabinet responsible for:

- the government's expenditure plan;
- tne allocation of human and financial resources to government programs;
- human resource management; and,
- management practices of government.

The Minister of Finance and Corporate Relations is chairman of Treasury Board and the Deputy Minister is its secretary. Other members are appointed by Cabinet. While Treasury Board has broad financial responsibility, the *Financial Administration Act* and other statutes give the Minister of Finance and Corporate Relations specific responsibility for:

- preparing economic forecasts, developing tax and economic policy and the annual budget for the government;
- administering tax legislation and collecting and recording government revenue;
- acting as the government's fiscal agent with external financial institutions and as trustee for all public sector employer/employee pension fund contributions;
- issuing cheques and managing the consolidated revenue fund and the public debt;
- regulating British Columbia trust companies, credit unions and insurance companies, as well as the provincial securities and real estate markets;
- providing incorporation and registration services for companies, credit unions, cooperatives, societies and personal property encumbrances; and,

- providing the official collection and dissemination of data to government and other agencies.

In pursuit of its mission, the Ministry of Finance and Corporate Relations adheres to the values outlined below.

To provide a first-rate service to all ministry clients, be they citizens, taxpayers, elected representatives, business officials or public servants.

At all times staff deal with ministry clients in a courteous, friendly and helpful manner.

To be fair and honest with ministry clients.

Staff provide consistent access to ministry programs and services and treat clients and fellow staff in an honest and forthright manner.

To emphasize quality in all ministry work.

It is expected that quality be consistently maintained and work completed in a timely manner. Innovation is encouraged.

To maintain a commitment to results in both routine operations and special projects.

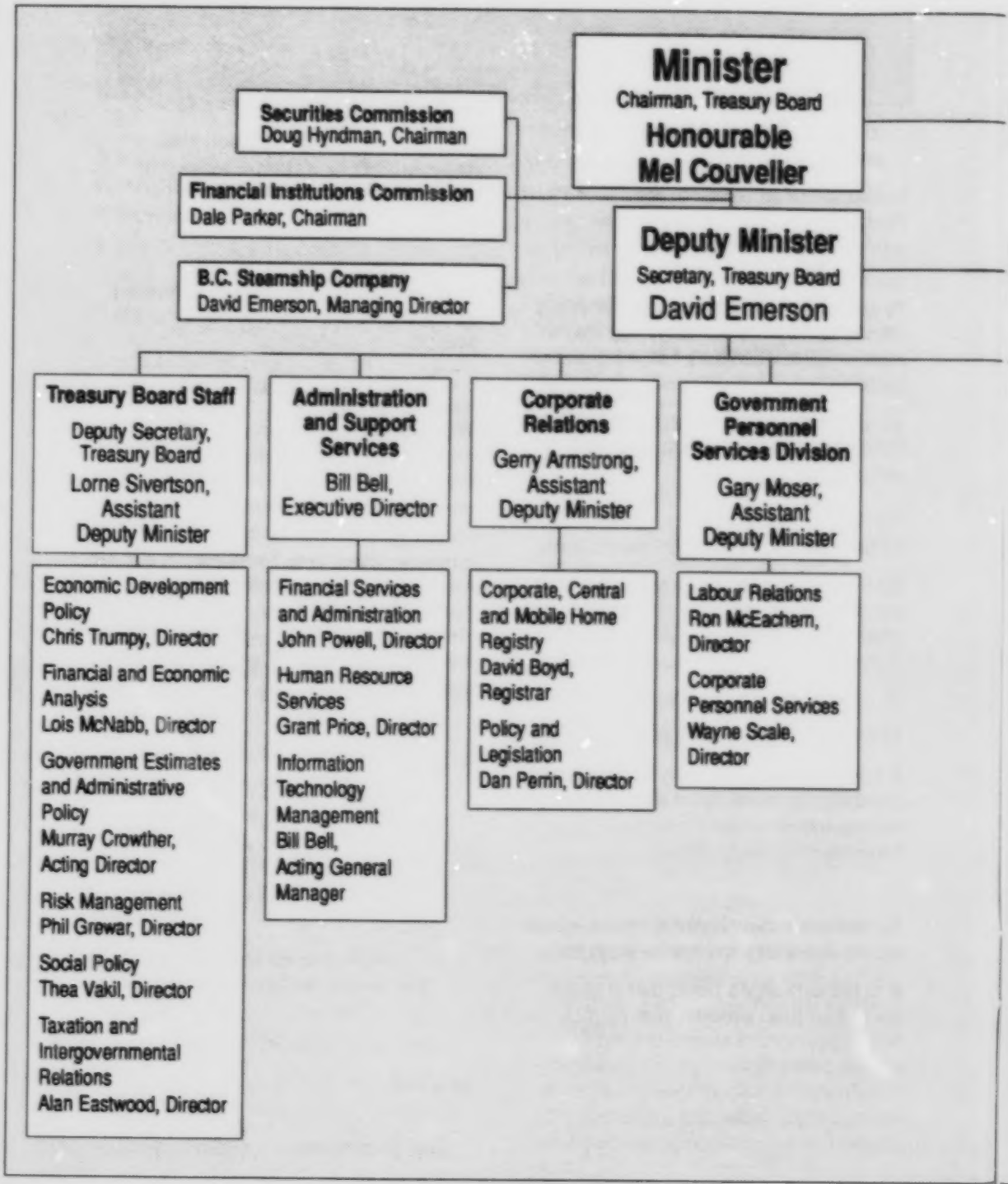
It is the ministry's belief that it is the output or final product that counts, with appropriate attention paid to sound process.

To be frugal in all ministry operations.

Given the ministry's mission and responsibility as a central agency of government, it seeks to achieve best value in the expenditure of resources.

To encourage staff participation in meeting the challenges that face the ministry and to promote staff development.

It is recognized that the success of the ministry in attaining its objectives depends on the contribution of ministry staff. Managers have the responsibility to help staff develop on the job and to provide an environment that encourages staff to assist in achieving ministry objectives. Managers and staff have a mutual responsibility to ensure ministry objectives are achieved. Finance and Corporate Relations often acts as a staff training ground for other ministries.


Minister
Chairman, Treasury Board
Honourable
Mel Couvelier
Securities Commission
Doug Hyndman, Chairman
Financial Institutions Commission
Dale Parker, Chairman
B.C. Steamship Company
David Emerson, Managing Director
Deputy Minister
Secretary, Treasury Board
David Emerson
Treasury Board Staff
Deputy Secretary, Treasury Board
Lorne Sivertson, Assistant Deputy Minister
Administration and Support Services
Bill Bell, Executive Director
Corporate Relations
Gerry Armstrong, Assistant Deputy Minister
Government Personnel Services Division
Gary Moser, Assistant Deputy Minister
Economic Development Policy
Chris Trumpy, Director
Financial and Economic Analysis
Lois McNabb, Director
Government Estimates and Administrative Policy
Murray Crowther, Acting Director
Risk Management
Phil Grewar, Director
Social Policy
Thea Vakil, Director
Taxation and Intergovernmental Relations
Alan Eastwood, Director
Financial Services and Administration
John Powell, Director
Human Resource Services
Grant Price, Director
Information Technology Management
Bill Bell, Acting General Manager
Corporate, Central and Mobile Home Registry
David Boyd, Registrar
Policy and Legislation
Dan Perrin, Director
Labour Relations
Ron McEachern, Director
Corporate Personnel Services
Wayne Scale, Director

Ministry of Finance and Corporate Relations

Ministerial Assistant
Don Lory

Executive Operations Coordinator
Gloria Back

Communications
Laurie Jackson, Director

Office of the Comptroller General

Brian Marson, Comptroller General

- Deputy Comptroller General
  Alan Barnard
- Financial Disbursement Operations
  Angus Petrie, Director
- Accounting and Reporting
  Vic Skaarup, Director
- Government Payroll Office
  Tony Pickering, Director
- Internal Audit
  Gary Hepburn, Executive Director
- Financial Management
  Harold Maltby, Director
- Systems Support
  Al Horner, Director

Planning and Statistics

Ian McKinnon, Assistant Deputy Minister

- Quantitative Analysis
  Nick Paul, Director
- Statistics
  Tom Beynon, Director

Provincial Treasury

Michael Costello, Assistant Deputy Minister

- Investments
  Doug Pearce, Director
- Banking and Cash Management
  Arn van Iersel, Director
- Debt Management
  Brenda Eaton, Director
- Loan Administration
  Ken Davidson, Director

Revenue Division

Lloyd Munro, Assistant Deputy Minister

- Consumer Taxation
  Ed Turner, Executive Director
- Income Taxation
  Alan Carver, Director
- Real Property Taxation
  Carl Jongbloed, Acting Director
- Revenue Administration
  David Sandell, Director

As at March 31, 1990

Treasury Board Staff

Treasury Board Staff provides analysis and advice to Treasury Board[1] and to the Minister of Finance and Corporate Relations on economic and fiscal matters, taxation, risk management, budget expenditure and management.

The division is organized into six branches which report to the deputy secretary of Treasury Board. The branches are: Taxation and Intergovernmental Relations, Social Policy, Economic Development Policy, Government Estimates and Administrative Policy, Financial and Economic Analysis, and Risk Management.

Together these branches:

- develop the annual provincial budget and coordinate allocation of financial resources among ministries and special offices;
- make recommendations on provincial economic, fiscal and taxation policies;
- monitor and forecast provincial economic conditions and the government's financial position;
- recommend timely implementation of economic and fiscal policies;
- analyse and make recommendations on federal/provincial and provincial/local financial relations;
- advise on existing and proposed special office and ministry programs, and on the management of government resources; and,
- provide a professional risk management resource to government and public bodies.

Government Estimates and Administrative Policy Branch

- develops management policies for government to promote economy, efficiency and effectiveness in administrative management;
- coordinates preparation of budget briefing material for Cabinet and Treasury Board and prepares the provincial budget *Estimates* and *Supplement to the Estimates*; and,
- analyses and evaluates budget, expenditure, policy, financial and program matters for ministries and Crown corporations which provide services within government.

Economic Development Policy Branch

- analyses and evaluates budget, expenditure, policy, financial and program matters for ministries and Crown corporations with economic development mandates; and,
- analyses economic development policy and program issues and provides briefing notes and policy recommendations to the Minister of Finance and Corporate Relations and Treasury Board.

[1] A committee of Cabinet responsible for budget and management matters.

Social Policy Branch

- analyses and evaluates budget, expenditure, policy, financial and program matters for ministries and agencies with social services mandates;
- develops budget instructions for capital projects and analyses ministry requests for capital funding; and,
- analyses social policy and program issues and provides briefing notes and policy recommendations to the Minister of Finance and Corporate Relations and Treasury Board.

Financial and Economic Analysis Branch

- prepares provincial revenue estimates, fiscal forecasts and economic forecasts;
- analyses the impact of events on the provincial economy and government finances;
- monitors ministry revenue collection policies and activities and makes recommendations for improvement; and,
- prepares financial and economic reports and publications, such as the *Quarterly Financial Report*, the *British Columbia Economic and Statistical Review* and the provincial *Budget*.

Taxation and Intergovernmental Relations Branch

- develops provincial taxation policy to meet goals of equity and consistency, to promote economic development, and to ensure adequacy of revenue;
- analyses federal/provincial and provincial/local financial policies and their relationships; and,
- reviews and analyses federal tax policy changes and proposals to determine impacts on the provincial government and on the economy.

Risk Management Branch

- develops and implements a comprehensive risk management program for government and selected public entities;
- provides a viable funding system to meet loss situations, including the development and administration of self-insurance programs and the purchase of external insurance;
- provides claims administration facilities to settle claims for government and public bodies;
- establishes policies on indemnification and risk transfer issues; and,
- provides consultative advice to Crown corporations, agencies and other public entities.

Activity Measures

ACTIVITY	1987/88	1988/89	1989/90	COMMENTS
Treasury Board submissions received and processed	449	490	472	Between April 1, 1989, and March 31, 1990, Treasury Board Staff operated with approximately 69 full-time equivalents.

British Columbia Economic and Statistical Review

Treasury Board Staff and Planning and Statistics Division (formerly the Central Statistics Bureau) merged two of their publications — the *Financial and Economic Review* and *British Columbia Facts and Statistics* — into the new *British Columbia Economic and Statistical Review*. The new publication was published in October 1989.

The new review provides a timely and comprehensive overview of British Columbia's economy, its industrial structure and demographics as well as provincial government programs, services, finances and institutions. A readers' survey was included as an insert with the *Review*. Feedback will be used to improve future editions of this annual publication.

Administration and Support Services

Administration and Support Services Division is responsible for financial, administrative, technical, personnel and computer services for staff of the Ministry of Finance and Corporate Relations.

Financial Services and Administration Branch

- manages the financial administration process for the ministry, including records management, office space and ancillary services;
- assists in the development and maintenance of ministry forms, and policy and procedure manuals;
- coordinates preparation and presentation of the ministry budget, including the briefing documents for ministry executive and Treasury Board;
- develops and/or interprets budget policies and procedures;
- reviews and monitors ministry fees and licences;
- maintains the ministry accounting system;
- manages the provincial Suggestion Awards Program for government employees; and,
- provides computer systems support, hardware procurement and software development for the minister's office, the ministry executive and for the division.

Human Resource Services Branch

- provides services to ministry employees in all areas of human resource management, including organizational analysis and planning, classification analysis and evaluation, recruitment and placement services, labour relations, safety, training and development, career management benefits, and administrative services;
- develops and interprets human resource policies and procedures; and,
- initiates, develops and implements programs to improve human resource management at all levels in the ministry.

Information Technology Management Branch

- assists in the promotion, introduction and strategic direction of corporate computer and communications technologies;
- ensures that ministry standards, policies and practices are met for all automated activities in the ministry;
- provides central computer processing facilities, data and database administration, as well as technical and product support services to the ministry; and,
- supports and assists the activities of the ministry's technology groups and the Systems Review Committee.

Activity Measures

ACTIVITY	1987/88	1988/89	1989/90	COMMENTS
Facilities Management				Staff increased from 1 to 1.2 FTEs during the year.
• Request for services (over $1,000)	—	—	109	
• Request for services (under $1,000)	—	—	153	
• Telecommunications service request	—	—	196	
• Office moves coordinated	—	—	11	
Forms Management				The 50 per cent increase in design activity shows the change to in-house production of camera-ready artwork and faster production time on design work, thanks to the introduction of computer design tools in August 1988. Staff increased from one to two FTEs during the year.
• Forms handled (includes design, printing, inquiries, research, etc.)	508	576	1,203	
– Design jobs	310	452	683	
– Forms printing requisition	383	323	354	
Records Management				The increase in boxes transferred off-site was due largely to the clean out and shut down of OCG's Vancouver warehouse location — where 2,051 boxes were stored. During the year, staff dedicated to this function increased from .75 to .9 of a FTE.
• Document disposal and records schedule applications raised	157	77	116	
• Boxes of semi-active records transferred to off-site storage	5,562	5,704	7,510	
Central Services Manual				Staff dedicated to manuals decreased from 1 to 0.9 of a FTE during the year.
• Amendments issued	12	12	10	
• Sections revised	66	65	35	

ACTIVITY	1987/88	1988/89	1989/90	COMMENTS
Ministry Vouchers Processed	26,145	27,452	28,500	Since January 1987 the number of full-time equivalents has remained at three.
Ministry Payroll Forms Processed	9,318	10,350	9,967	Four full-time equivalents processed payroll forms during 1989/90.
Staffing Actions	313	355	389	Staffing activity increased approximately nine per cent over the period.
Training Hours				
• Management	5,167	6,891	5,022	The decrease in total training hours for management is directly attributable to the transfer of responsibility for management training to the Centre for Executive and Management Development.
• Technical/clerical	8,497	7,424	8,436	

Earthquake Preparedness

During 1989/90, the ministry adopted and began implementing a policy and procedure on earthquake preparedness. In June 1989 the document was cited by the Provincial Emergency Program, Ministry of Solicitor General, as a model for other ministries. The policy calls for preparation and recovery plans for all divisions and commissions, including the designation of key personnel, measures to reduce hazards, and the protection and restoration of vital records and computer systems. The policy also requires staff training and annual earthquake drills. In December 1989, 11 two-hour training sessions were attended by over 1,100 ministry staff in Victoria and Vancouver.

Employee Survey

In 1989/90, an employee survey was undertaken to measure the organizational health of the ministry as a whole. The survey focused on employee motivation, satisfaction, recognition and teamwork, in relation to ministry goals and objectives.

Human Resources Management Task Force

A ministry-wide Human Resource Management Task Force was established to provide strategic direction to the ministry in managing its work force and dealing with issues impacting current and future human resource requirements.

Forms Management

In support of the initiatives undertaken by the Inter-ministry Forms Management Committee and the B.C. Archives and Records Service, the Ministry of Finance and Corporate Relations agreed to a joint venture with the Ministry of Provincial Secretary in January 1990. A year-long secondment opportunity for a forms analyst trainee was established through the Archives and Records Service and placed with the forms program in the Ministry of Finance and Corporate Relations. In March 1990 the deputy provincial secretary advised all deputy ministers of the establishment of the Government Forms Management Assistance Project, based on the joint venture.

The purpose of the project is to establish a forms analyst training capability, to provide analysis and design services to ministries which do not presently have them, and to exploit the significant potential which exists for making government forms more cost effective and user-friendly.

Suggestion Awards Program

A new record for employee participation in the government's Suggestion Awards Program was set in 1989/90. A total of 485 suggestions were submitted in 1989/90; the previous high was 463 in 1986/87.

A second record was established in terms of the amount paid in awards: $65,906.54. This figure includes a one-third premium or "top-up" on the

award amount to help defray income tax for the winners (for example, $16,476.56 was paid to Revenue Canada on behalf of the award recipients who received award cheques totalling $49,429.98).

The previous high was $41,887.37, paid out in awards and top-up in 1988/89.

In 1989/90, the Suggestion Awards Program generated savings of $449,274, up from $422,295 in 1988/89. These savings only account for less than two-thirds of the adopted suggestions; one-third of all suggestions are related to service, safety or other improvements which yield intangible benefits.

The Ministry of Health won the program's Ministry of the Year plaque for 1989, based on the rate of employee participation, the percentage of suggestions adopted and the savings per employee generated. The Ministry of Forests won the Best Participation Record plaque for the same period.

Leave Management System

During 1989/90, a new Leave Management System was installed on the ministry's mini-computer and implemented throughout the 14 leave recording sections in Victoria and Vancouver. For the first time ever, the ministry was able to electronically report to the Auditor General the year-end outstanding leave liabilities. The capability to electronically report all leave activity (up to 30,000 transactions annually) now exists, as required by the Government Personnel Services Division.

The ministry also developed a number of leave management information reports to support the new Attendance Management Program, which is looking at sick leave usage throughout the ministry with the aim of increasing productivity and reducing costs.

Training Initiatives

In 1989/90, the ministry focussed its training programs on providing new course material for supervisory and clerical personnel. These courses were based on identified needs and included training in stress management, customer service, communications, team building, and introductory and advanced supervisory skills.

The ministry continued with ancillary training initiatives, which included lunch hour sessions and half-day workshops on orientation, job description writing and career planning.

Electronic Manuals

During the year the Systems Services Branch established a ministry-wide steering committee to review the feasibility of electronic manuals.

Corporate Relations

Corporate Relations is responsible for administering and maintaining legislation governing financial and commercial activities.

The division advises the government on corporate and financial institutions policy, and provides corporate registration services as well as registration services for personal property security interests and mobile homes.

The division aims to develop policies which facilitate stable and orderly markets, which maintain public confidence and which encourage a strong and efficient financial sector.

In addition, the objective of the division is to facilitate provincial economic activity through the provision of an efficient public registry service at a reasonable cost.

Corporate, Central and Mobile Home Registry

The Corporate, Central and Mobile Home Registry is composed of three registries.

Corporate Registry

- creates and maintains complete corporate files on all British Columbia and extraprovincial companies, societies, cooperatives, trust companies, partnerships, library associations, private act companies, railway and tramway companies; and
- provides current information from all files to the general public as well as to law enforcement agencies, government ministries and agencies, legal and accounting professions, and financial institutions.

Central Registry

- examines and registers all encumbrances against personal property filed pursuant to the *Chattel Mortgage Act*, the *Sale of Goods on Condition Act*, the *Book Accounts Assignment Act*, the *Company Act* and the *Repairers Lien Act*; and,
- provides this information to interested parties upon request and upon payment of a prescribed fee.

Mobile Home Registry

- registers all mobile homes, transfers of ownership and security interests, and discharges and authorizes issuance of transport permits under the *Mobile Home Act*; and,
- provides ownership, location and encumbrance information with respect to mobile homes to interested parties who have paid the prescribed fee.

Policy and Legislation Branch

- provides advice and recommendations regarding corporate policy, personal property

security policy, financial institutions policy and financial market policy;

- implements policy decisions, including drafting legislation and regulations;
- coordinates with other branches to develop administrative policies and implement new programs; and,
- liaises with representatives of the federal government and other provincial governments, as well as senior industry officials, in order to contribute to the development of an up-to-date, national regulatory framework governing the rapidly-evolving Canadian financial services industry.

Activity Measures

ACTIVITY	1987/88	1988/89	1989/90
Corporate Registry			
• Registrations			
– B.C. companies	18,648	19,494	21,917
– Extraprovincial companies	1,657	1,815	1,896
– Trust companies	3	5	4
– Partnerships	9,222	9,456	13,414
– Societies	1,202	1,267	1,263
• Change of names			
– Companies	5,300	5,288	5,666
– Societies	129	118	162
• Amalgamations	360	457	444
• Continuation – into B.C.	100	129	161
• Continuation – out of B.C.	164	162	139
• Dissolutions			
– Companies	12,887	13,355	13,695
– Societies	756	682	857
– Partnerships	655	664	700
• Restorations			
– Companies	712	537	600
• Encumbrances	81,843	81,063	95,382
• Filings	264,714	224,687	220,174
• Miscellaneous			
– Certificates of good standing	5,973	5,453	5,966
– Certified copies	58,704	58,701	54,108
• Names			
– Searched	113,695	97,665	101,972
– Reserved	n/a	42,068	45,052
• Searches			
– Companies	333,113	293,517	277,612
– Central	343,121	336,427	279,491

ACTIVITY	1987/88	1988/89	1989/90
Central Registry			
• Documents registered under the *Chattel Mortgage Act*, the *Sale of Goods on Condition Act*, and the *Book Accounts Assignment Act*	494,410	517,298	540,617
Mobile Home Registry			
• Transfer of ownership	10,107	10,526	12,595
• Searches	19,253	19,581	22,434
• Copies of documents	17,846	17,832	20,868
Cooperatives			
• Number of cooperatives	541	538	506
• Number of incorporations	20	21	32
• Number of dissolutions	23	53	60

Programs and Initiatives

Financial Institutions Act and the Credit Union Incorporation Act

Two comprehensive new statutes, the *Financial Institutions Act* (FIA) and the *Credit Union Incorporation Act* (CUIA), were given Royal Assent in July 1989. The two new statutes provide British Columbia with a modern and effective regulatory framework which enhances public protection while encouraging a strong and balanced financial sector.

A discussion paper containing draft regulations and commentary was released in February 1990. Final regulations incorporating responses received from interested parties are being prepared to correspond with both acts coming into force. Minor amendments to the FIA and the CUIA were made in amending legislation tabled in the spring 1990 session of the legislature.

Proclamation of the FIA, the CUIA and the amending legislation is targeted for summer 1990.

Life and Health Insurance Compensation Plan

A mandatory, industry-run and financed compensation plan for property and casualty insurance companies has been in effect across Canada since September 1988. A voluntary plan was put in place in the life insurance industry in January 1990, and is now mandatory in two jurisdictions. The provinces, including British Columbia, are currently negotiating their participation in the plan.

The purpose of the life insurance plan is to protect policy holders in the event that a life insurance company goes out of business. The plan guarantees payment of death benefits up to $200,000, annuities up to $2,000 per month, and life insurance policy cash values up to $60,000.

Personal Property Security Act (PPSA)

The *Personal Property Security Act* received Royal Assent in July 1989. Regulations are being finalized and minor amendments to the PPSA were introduced in the spring 1990 session of the legislature. Proclamation of the PPSA and the regulations is targeted for fall 1990.

A new Personal Property Registry will replace the Central Registry and absorb some elements of the Corporate and Mobile Home Registries. The Personal Property Registry will provide a comprehensive and modern regulatory structure for secured loan and credit transactions in British Columbia.

Cooperative Associations

In order to simplify the filing process for cooperative associations, the offices of the Registrar of Companies and the Superintendent of Cooperatives were combined in 1989/90 and regulatory responsibility for cooperatives was transferred from the Superintendent of Financial Institutions to the Registrar of Companies.

Real Estate Act and Mortgage Brokers Act

A comprehensive real estate discussion paper outlining proposed policy objectives was released to the public in February 1990. Legislation amending both the *Real Estate Act* and the *Mortgage Brokers Act* is being prepared.

Company Act

A major review of the *Company Act* was undertaken during the year. A discussion paper is being prepared and is expected to be released for public review and comment in the summer of 1990. It is anticipated that this consultation process will lead to major revisions of the legislation.

Condominium Act

In response to requests by developers, owners and occupiers of strata units, the government is undertaking a review of the *Condominium Act*. A discussion paper is being prepared for consultation purposes and it is expected that a version of the legislation written in plainer language will result.

Government Personnel Services Division

The *Public Service Act* establishes Government Personnel Services Division as the bargaining agent and the central personnel and labour relations arm of government under the direction of Treasury Board. The parameters of collective bargaining in government is set out in the *Public Service Labour Relations Act*.

Government Personnel Services Division acts as a central agency in providing leadership and assistance to individual ministries and to the provincial government in human resource management, labour relations and negotiating activities.

In November 1989, GPSD was transferred to the Ministry of Finance and Corporate Relations from the Ministry of Government Management Services. The division achieves its objectives through three branches.

Finance and Administration Branch

- is responsible for the internal workings of the division.

Corporate Personnel Services Branch

- provides leadership and assistance to government and individual ministries in managing personnel functions efficiently and effectively through corporate policies and programs;
- develops and tests, through pilot projects, a personnel program review function in government;
- analyses employee benefit costs across government;
- initiates and develops the Social Program Officer classification plan;
- finalizes the implementation of the Corporate Leave Management System;
- develops and delivers training programs on competition appeals for ministries;
- assists consultants in finalizing the Crown Corporation Compensation Review for CEOs;
- advises consultants in regards to executive compensation of deputy ministers and assistant deputy ministers;
- finalizes the placement process of privatized employees;
- identifies and develops corporate training programs for human resource practitioners;
- reviews the need for a Corporate Personnel Information System;
- assists in developing a government human resource strategy for the 1990s; and,
- reviews options for a pay equity framework for government.

Labour Relations Branch

- develops a corporate labour relations strategy which ensures objectives of government are effectively met in all negotiations, arbitrations and collective agreement activities;
- negotiates collective agreements with Government Nurses;
- negotiates agreements with the British Columbia Medical Association regarding fee-for-service physicians;
- negotiates agreements with supplementary health benefit practitioners, such as podiatrists and dental surgeons, covered by the Medical Services Plan;
- negotiates agreements with various fee-for-service practitioners associated with the Ministry of Social Services and Housing, including dentists, optometrists, opticians, denturists and morticians;
- coordinates the placement of privatized employees who have chosen to remain in government;
- maintains a strong employer position on grievance arbitration by:
  - continuing to attend to the scheduling and hearing of backlogged grievances; and,
  - reviewing ongoing issues on matters favourable to the employer;
- develops and maintains a strategy concerning the acquisition of additional management exclusions; and,
- reviews and updates the contract interpretation manual.

Activity Measures

ACTIVITY	19987/88	1988/89	1989/90
Severance Pay	103	33	22
Number of employees excluded from bargaining unit who received severance			
Range of equivalent months' salaries paid out	0.5 to 17 months	2 to 15 months	4 to 15.6 months
Number of Grievances Handled			
• B.C. Government Employees' Union	641	751	502
• Emergency Health Services Commission	9	18	13
• Professional Employees Association	11	5	8
• Government Nurses	10	12	14
Number of formal arbitrations	21	22	24
Collective Agreements Concluded			
• B.C.G.E.U. Master	—	January 25, 1989	—
• Professional Employees Association	—	—	June 1, 1989

Programs and Initiatives

Corporate Planning

In 1989/90, the Corporate Personnel Services Branch developed and provided training programs and seminars, including labour relations training, to enhance the skills of its personnel practitioners.

Program Review Pilot Project

In 1989/90, three ministries began reviewing GPSD performance indicators in key areas. Studies are being done in classification staffing and general personnel management in the ministries of Health, Government Management Services, and Energy, Mines and Petroleum Resources, as well as a regional personnel office in the Ministry of Health.

Corporate Personnel Information System

In 1989/90, the division reviewed, in consultation with individual ministries, information systems that will provide government with accurate, comprehensive information on key areas of human resource management.

Pay Equity

The division is ensuring that it is prepared to deal with pay equity in the 1991 negotiations in an effective fashion.

Occupational Health and Safety

The division is developing policies, procedures and information systems to make dealing with safety and employee health problems more effective. A corporate leave management system will assist in developing attendance management programs.

Bargaining Preparation

During the year, the Labour Relations Branch identified issues and strategies in preparation for bargaining with the B.C. Government Employees' Union, whose contract expires July 31, 1991.

Other Negotiations

In 1989/90, a trend developed whereby various ministries requested that the Government Personnel Services Division be responsible for negotiating and administrating agreements with various professional organizations.

GPSD has taken over negotiations from the Ministries of Health, Solicitor General, Government Management Services, and Social Services and Housing, with respect to negotiations with ambulance drivers, Queen's Printer staff, chiropractors, dental surgeons, physiotherapists, massage practitioners, naturopaths, optometrists, opticians, denturists, morticians, psychologists, and podiatrists.

Office of the Comptroller General

The Comptroller General is the province's chief accounting officer who holds broad statutory authority for maintaining the government's accounting system. The Office of the Comptroller General maintains the quality and integrity of the government's financial management and control systems.

The Office of the Comptroller General assists Treasury Board in fulfilling its responsibilities under the *Financial Administration Act*. Under this act, the Comptroller General is responsible for:

- all matters relating to accounting and financial administration policies and practices;
- government payroll and payments systems;
- ensuring the proper collection and expenditure of public money;
- reporting, accounting and financial control systems of government;
- maintaining central accounts;
- preparing financial statements and public accounts; and,
- evaluating accounting and financial management systems throughout the government.

Financial Disbursement Operations Branch—Victoria Office

- verifies and processes payment vouchers submitted by ministries and produces most government cheques;
- audits and reports on government's payment compliance in respect to financial policies and procedures;
- controls all transactions entered into the government's central financial system; and,
- provides "one-stop" service to ministries and non-government clients regarding program questions and the status of payments to or from the government.

Financial Disbursement Operations Branch—Vancouver Office

- controls cheque production, provides investigative support, and performs bank reconciliation, treasury and document management services for the government's Guaranteed Available Income for Need (GAIN) program; and,
- performs compliance audits and provides customer service support to ministries' Vancouver operations.

Government Payroll Office

- produces bi-weekly payroll for MLAs, ministers and government employees and provides related salary management and staff data;
- is the central agency providing payroll services and training for government;

- verifies and processes payroll forms to ensure compliance with policy and regulations; and,
- gathers and processes FTE data which is used to monitor staff levels and usage throughout government.

Accounting and Reporting Branch

- controls and maintains the system of central accounts of government;
- records financial data in the system and issues financial reports to ministries, or provides access to ministries to produce their own reports;
- ensures accurate and timely reconciliation of certain major bank accounts of the province;
- provides a focal point for government-wide revenue and accounts receivable administration, including the management of set-offs and other legal encumbrances;
- ensures an orderly system for the disposal of accounts receivable under the *Financial Administration Act*, and assists ministries in reporting adequate provisions for doubtful accounts;
- prepares financial reports required by statute including the *Public Accounts of British Columbia*, the *Interim Financial Statements of the Comptroller General* and a schedule of special warrants authorized by the Lieutenant-Governor in Council;
- prepares monthly financial reports *for management;*
- prepares annual *Supply Acts* for introduction by the Minister of Finance and Corporate Relations in the Legislative Assembly; and,
- advises ministries on accounting policy.

Financial Management Branch

- develops and maintains government financial management and control policies and procedures;
- makes recommendations on financial legislation, related regulations and financial provisions of operating legislation;
- ensures integrity of government financial systems by establishing and communicating effective control standards for financial systems across government, in accordance with Treasury Board policy;
- assists ministries in implementing Treasury Board financial management policies and procedures; and,
- oversees the design, development and delivery of training and professional development programs to improve and ensure the effective quality of financial management across government.

Systems Support Branch

- provides maintenance support, development, security and integration of the government's central financial data processing systems.

Internal Audit Branch

- under Treasury Board policy, provides deputy ministers with audits of internal controls, policies, practices and appraisals of ministry operations;
- functionally directs audits of claims made by the province under federal-provincial cost-sharing agreements, using mainly private sector firms;
- conducts special investigations and audits in cases of suspected irregularity or impropriety throughout government;
- coordinates the preparation of the *Response to the Report of the Auditor General*; and,
- recommends appointments of external auditors of designated public bodies.

Activity Measures

ACTIVITY	1987/88	1988/89	1989/90	COMMENTS
Production cost per government payroll cheque/deposit	$0.24	$0.22	$0.23	Stability in the payroll system and in British Columbia Systems Corporation rates helped keep production costs low.
Payroll vouchers processed for government	641,000	654,000	585,000	The decrease in the number of vouchers processed reflects the relative stability in the federal income tax procedures and the collective agreements in the current year.
Payment vouchers processed for government	740,000	740,000	952,000	The number of full-time staff remains unchanged at 32.
Number of cheques produced for government	3.7 million	3.7 million	3.5 million	The increase in the volume of vouchers was offset by payment consolidation. It should be noted that the Vancouver office controls the issuance of an additional 1.6 million GAIN cheques.
Direct internal audit hours	28,887	29,618	38,321	The level of productivity has remained unchanged. The number of full-time equivalents remained at 33 during 1989/90.
Percentage of total hours	66 per cent	64 per cent	67 per cent	
Accounts receivable recovered through set-offs	$1.2 million	$5.4 million	$5.5 million	Recoveries of public money through set-offs under the *Financial Administration Act* have increased significantly since 1986/87.

ACTIVITY	1987/88	1988/89	1989/90	COMMENTS
Training days delivered	2,986	3,672	3,937	The OCG continues to sponsor government-wide financial management training through Three-E Training Incorporated. In 1989/90 the course offerings were expanded through the addition of the Financial Services Course, an executive workshop on Managing Financial Resources in the Well-Performing Organization, a seminar on Executive Travel Expenses, and a Customer Service course. The OCG also offered several seminars in conjunction with the Government Agents Branch, which provided an information exchange with government employees in the regions.

Public Accounts and Reporting

In 1989/90, a comprehensive review of the *Public Accounts'* consolidated reporting was completed, and is being redefined to implement the relevant recommendations made by the Public Sector Accounting and Auditing Standards Committee (PSAAC) of the Canadian Institute of Chartered Accountants (CICA). OCG is also reviewing the PSAAC recommendations on accounting for employee pension obligations.

Government Accounting Systems Strategic Plan (GASSP)

Work commenced this year to implement the recommendations made by the Government Accounting Systems Strategic Plan Task Force. The objective of GASSP is to find a common software system to support the corporate financial requirements of the government of British Columbia.

The task force was established in January 1989 to respond to requests for new software accounting packages and upgrades, and to meet the increasing demands for financial information and accounting processes. The task force recommended the selection of a common software be used by the government for accounting and financial purposes.

A project team was formed to determine the accounting and financial requirements of the ministries and to achieve a high level of agreement. In February 1990, the investigation, evaluation and recommendation of a software solution to meet business requirements began. The software recommendation is expected by August 1990.

Implementation of GASSP over the next three to four years will provide the basis for timely information and reports, savings involving the upkeep of accounting software, and a strong security management system for government records.

Goods and Services Tax

The Office of the Comptroller General has been given the responsibility of providing the administrative framework for all aspects of the federal goods and services tax (GST) as it affects the provincial government. A coordinator has been appointed to establish a cross-government task force made up of representatives from each of the ministries, offices and commissions in order to establish the necessary systems and controls for the collection, accounting, reporting and payment of the GST on both expenditures and revenues of government. The coordinator will become the focal point for the administration of all GST-related matters.

Revenue and Accounts Receivable Administration

The Accounting and Reporting Branch is increasing its emphasis on improving the management, control and reporting

of government revenue and accounts receivable.

During 1989/90, a Revenue Manager's Council—representing all ministries and numerous branches of the Ministry of Finance and Corporate Relations—was established and met to exchange information and address government-wide issues of revenue and accounts receivable management.

The set-off program, providing for recoveries of accounts receivable under the *Financial Administration Act*, continues to assist ministries in locating and recovering accounts from debtors.

Financial Management Training

During 1989/90, the OCG expanded its government-wide training and professional development program to better serve the needs of the financial community in the provincial government. A new three-day Financial Services Course was introduced for employees in clerical positions. The course focuses on financial transactions and customer service. A new one-day executive level workshop was also offered. The workshop involves teams of participants from ministries who examine how financial resource management can be improved, in light of information about well-performing government organizations. The team learning approach was also used in seminars on executive travel expenses. Clerical and management personnel from each ministry attended a half-day workshop which examined issues related to travel expenses.

Other new initiatives included a two-day course on customer service and the development of a computer-based training prototype for instruction on processing financial transactions. In conjunction with Clarity Data Incorporated, the prototype will be expanded into a complete training package next year.

The OCG also delivered a seminar program designed to exchange information with financial and program staff in the regions. In conjunction with the Government Agents Branch, six seminars were held in four regions. The seminars, lead by OCG, Government Agents, and Purchasing Commission staff, were tailored to the information needs identified by people in the regions.

Financial Exchange Newsletter

A new quarterly newsletter, *the Financial Exchange*, was launched during 1989/90. The newsletter — which goes to approximately 3,800 government employees — contains information on activities, events, people and issues in the financial community.

Contract Management Task Force

During the year, OCG also participated in a government-wide task force examining contract management. As a result of the task force recommendations, additional contract management training is being planned.

Planning and Statistics

The Planning and Statistics Division develops statistical information for the province and provides data and quantitative analysis to ministries in support of planning and decision-making in ministries and government agencies. The division represents the province on the Federal-Provincial Consultative Council on Statistical Policy and on many other federal-provincial technical committees.

The division executes the responsibilities of the Minister of Finance and Corporate Relations under the *Statistics Act*, which include:

- developing, producing, interpreting, projecting and disseminating statistical information which describes the economic, social and demographic structure of the province;
- assisting ministries in the collection, compilation, analysis and distribution of statistical information;
- assisting ministries in establishing appropriate technical standards and procedures to avoid duplication in collecting information; and,
- coordinating statistical activities within government and between government and statistical agencies of other governments.

The division's main operational functions are carried out through two branches — Statistics and Quantitative Analysis.

Statistics Branch

- coordinates statistical relations within government and between British Columbia and other governments;
- produces and publishes population estimates and projections and other demographic data, including official population counts used to determine the value of municipal grants;
- develops and provides production, labour market, external trade, tourism and other statistics which measure the relative economic performance of the province's industrial sectors and regions;
- develops and produces statistics on health and on the educational, cultural and general social characteristics of British Columbia's population;
- operates data enquiry services in Victoria and Vancouver, answering requests for statistics and statistical analysis from government, business and the general public;
- provides expertise in survey management, including questionnaire design, classification systems, appropriate sampling frames, and the use of administrative records;
- maintains a comprehensive statistical database on the province's small business community as well as several databases identifying and categorizing companies and

establishments operating in the province;

- classifies information from postal coded files into geographic areas, municipalities, school districts, health areas, environmental protection districts or economic development regions; and,
- develops and maintains a system of provincial accounts and produces the *British Columbia Economic Accounts*, a comprehensive overview of the performance of the provincial economy.

Quantitative Analysis Branch

- in cooperation with Treasury Board Staff and other government offices, the branch develops and maintains long-term and medium-term econometric models used in preparing provincial economic forecasts;
- coordinates the census undercount system project in order to improve British Columbia's federal census of population coverage;
- carries out current economic analysis and special projects at the request of government agencies;
- provides mathematical models and modeling expertise for financial evaluation of major industrial projects, economic impact assessments and operations research;
- provides expertise in statistical techniques, including sampling, regression analysis, tests of significance and seasonal adjustments; and,
- provides expertise in computer-based quantitative methods and statistical information systems.

Activity Measures

ACTIVITY	1987/88	1988/89	1989/90	COMMENTS
Number of requests for statistical information and analytical assistance	8,152	11,580	12,550	This is a general increase within government and from the private sector.

Retail Trade and Small Business Statistics

In 1989/90, the division initiated a project to evaluate the use of retail sales tax information to produce current, reliable statistics on retail trade activity in the various regions of the province.

In cooperation with the Ministry of Regional and Economic Development, the division also began emphasizing its publication and electronic dissemination program of statistics about small businesses, a program designed to be used by business people directly in the management of their enterprises.

Statistics on Women and Aboriginal Peoples

In 1989/90, the division began to compile detailed statistical information on the demographic, economic, health, education and labour market profile of women. This will be updated annually. Identification of existing and potential data sources of persons of aboriginal origin was undertaken as the preliminary step in generating an aboriginal database.

Census Undercount System

The province is currently losing millions of dollars per year in federal-provincial transfer payments because a relatively large number of British Columbians have been missed in recent censuses. In 1989/90, the division entered into a joint project with Statistics Canada to improve British Columbia's coverage for the 1991 Census of Population.

Quantitative Analysis

During the year the division revised the British Columbia input–output model using the latest interprovincial information from Statistics Canada. The model was used to estimate the provincial economic impact on a number of proposed projects, including the relocation of the Herzberg Astrophysical Laboratory to Victoria and the construction of an improved access road to the Mount Washington ski resort.

The division's discounted cash flow model also provided the government with information about the financial viability of prospective development projects.

A plan to create a new medium-term econometric model was also implemented in 1989/90. A leading economic consulting firm was contracted to develop a comprehensive model of the British Columbia economy. The model is designed to help forecasting and policy analysis and should be fully operational by the fall of 1990.

Population Statistics

In 1989/90, the Planning and Statistics Division prepared estimates of the population (as at June 1989) for various sub-provincial regions such as

municipalities, school districts, local health areas, development regions, regional districts and others. These estimates were used by various ministries for grant allocation, as well as for monitoring and evaluating many of the social programs delivered by all levels of governments.

In addition to the 1989 population estimates, the division prepared population projections for the province and its regions, which were used for planning purposes by both public and private sector organizations.

Geographic Systems

The division maintains systems designed to classify the information contained in postal coded files into a variety of standard and special-purpose geographic areas. During 1989/90, the division began to add the 75 new provincial electoral districts to the system.

Marketing and Data Dissemination

The Planning and Statistics Division re-examined its data dissemination function in 1989/90, and as a result data disseminating services in Victoria and Vancouver were made part of the same organizational unit. A new emphasis on marketing the division's products was also initiated. The number of informational requests increased by eight per cent over last year.

British Columbia Economic and Statistical Review and the British Columbia Manufacturers' Directory

Two of the division's major publications were revised and improved during 1989/90. The division participated with Treasury Board Staff in the production of the *British Columbia Economic and Statistical Review*. The 1989 edition was comprised of information previously presented in two separate publications, the *Financial and Economic Review* and *British Columbia Facts and Statistics*.

The *British Columbia Manufacturers' Directory* was reformatted and expanded to include over 7,000 B.C. firms. The division is able to develop related directories for provincial regions or for specific industrial sectors on request.

Provincial Treasury

Provincial Treasury manages the province's major financial assets and liabilities and is responsible for non-budgetary financial activities, including management of pension and trust funds.

The division undertakes debt financing to meet the capital requirements of the province, its Crown corporations and agencies. It also uses other financial instruments to alter the structure of the debt.

Provincial Treasury manages the province's cash flow, negotiates its bank services, maintains required accounting records, registers securities issued by the Crown, and provides safekeeping for securities on deposit.

The division also provides a centralized loan administration and collection services for loans issued under a number of provincial programs, and for residual loans of the British Columbia Enterprise Corporation.

Provincial Treasury clients include the province, its Crown corporations, agencies, and the pension funds of provincial, municipal and education system employees.

Debt Management Branch

- recommends and implements the borrowing strategy for the provincial government and its corporations;
- manages the debt of the province and its corporations;
- coordinates, negotiates and completes public and private financings in Canada and abroad;
- transacts a wide range of financial instruments, including swaps and forward rate agreements;
- operates the province's Canadian and American short-term borrowing programs;
- makes representations on the province's behalf to Canadian and American bond rating agencies;
- represents the province in international financial markets;
- undertakes collection and analysis of economic and financial market information;
- provides a payment and transfer service for debt records managed directly by the province, and contract management services for debt records managed by external parties;
- provides income collection and settlement services for provincially-administered investment funds;
- provides administration and custodial services for securities posted for provincial performance bonding requirements; and,
- records and reports government and Crown corporation debt.

Investments Branch

- recommends investment strategies for the province;
- provides continuous financial market intelligence and research;
- executes investment transactions;
- invests and trades in money, bond and equity markets on behalf of the province;
- conducts credit risk analysis of financial institutions as required;
- provides portfolio management for pension funds, trust funds and sinking funds;
- develops and executes foreign exchange strategies for the province and Crown corporations debt servicing; and,
- operates the province's market maintenance program to ensure British Columbia bonds trade at prices in the best interest of the province.

Banking and Cash Management Branch

- forecasts, monitors and controls the province's cash flow and bank accounts;
- distributes all government payments;
- administers the certificate of approval capital borrowing program, which uses the borrowing power of the province to obtain interim financing for capital projects undertaken by local government bodies;
- advises ministries on alternate payment and receipt mechanisms, such as electronic funds transfers and credit cards;
- negotiates and maintains the province's banking services agreements and assists in tendering banking services contracts for Crown corporations;
- reconciles certain major provincial bank accounts and produces financial statements as required;
- records all revenue deposited to the Consolidated Revenue Fund and records cashed cheques for the majority of government expenditure programs;
- performs accounting and reporting functions for investment and borrowing transactions;
- prepares annual financial statements for the pooled investment portfolios and for the financing authorities; and,
- handles all administrative and personnel matters for the division.

Loan Administration Branch

- provides centralized loan and loan guarantee administration services including loan documentation, monitoring and follow-up;
- advises ministries on the structuring of loans and loan agreements to ensure appropriate security and collectibility;

- provides centralized collection services for outstanding client loans including liaison with borrowers, loan restructuring and renegotiation and legal action;
- administers the residual responsibilities of the province for the British Columbia Second Mortgage Portfolio sold to a chartered bank;
- administers and delivers the British Columbia Home Mortgage Assistance Program which provides up to $12,000 guarantees to first-time home buyers;
- administers and delivers the Principal Trust Compensation Program which requires the adjudication and payment of claims to B.C. investors; and,
- administers the subsidy and management contracts resulting from the privatization of British Columbia Enterprise Corporation loans.

Activity Measures

ACTIVITY	1987/88	1988/89	1989/90	COMMENTS
Funds under investment management	$16.0 billion	$18.0 billion	$20.5 billion	
Foreign exchange transactions	$1.6 billion	$1.0 billion	$1.0 billion	
Borrowing program	$1.0 billion	$1.6 billion	$1.9 billion	
Debt under management	$17.0 billion	$17.3 billion	$20.6 billion	
Cash flow under management[1]	$260 billion	$300 billion	$380 billion	The 1987/88 and 1988/89 figures have been restated to reflect total investment transfers.
Payment/Receipt Mechanisms				
• Electronic funds transfer[2]				The privatization of the B.C. Second Mortgage Program reduced the number of EFT transactions. Total dollar volume increased due to an increase in offlent debt servicing.
- Number of transactions	1.7 million	1.9 million	1.7 million	
- Value of transactions	$6.7 billion	$7.7 billion	$10.1 billion	
• Cheques				
- Number of cheques	3.6 million	3.9 million	4.1 million	
- Value of cheques	$134 billion	$156 billion	$171 billion	
• Credit Cards				The value and number of cheque transactions from 1987/88 to 1988/89 have been restated to reflect total investment activity.
- Number of transactions	176,000	250,000	400,000	
- Value of transactions	$1.4 million	$2.5 million	$4.3 million	

[1] Cash flow under management includes investment and other financing transactions involving the Consolidated Revenue Fund, inter-account transfers and all provincial government revenues and expenditures.

[2] Electronic funds transfer includes those to and from schools, colleges, universities, hospitals, municipalities, day care centres and various other government or government-related agencies, as well as that portion of the government payroll made by direct deposit. One full-time equivalent administered electronic funds transfers in 1989/90.

ACTIVITY	1989/90	COMMENTS
Home Mortgage Assistance Program		As a newly formed branch in 1989/90, there are no historical figures available for Loan Administration Branch activity measures.
• Number of guarantees issued	8,032	
• Value of guarantees	$94.6 million	
Collection of Delinquent Accounts (August 1989 to March 1990)		
• B.C. Second Mortgage loans	$3.5 million	
• B.C. student loans and student venture loans	$0.9 million	
Privatization Sales		
• B.C. Enterprise Corporation commercial loans	$46.1 million	
Loans Recovered		
• B.C. Enterprise Corporation commercial loans	$37.5 million	
• Ministry of Energy, Mines and Petroleum Resources	$33.5 million	
• 12 cooperative mortgages	$8.9 million	
• B.C. conversion and leasehold mortgages	$1.0 million	

Funding for Crown Corporations

Provincial Treasury is making improvements to the way it provides funding to Crown corporations. Until recently, the province simply "offloaned" pieces of its own debt issues, exactly matching all terms and conditions of the offlendings to the province's own underlying debt obligation. The new gap management program will enable a separation of the borrowing and lending decisions, so that the province can be more flexible in its lending function to Crown corporations.

Increased Revenue

Provincial Treasury has undertaken new programs which, by using specialized financing instruments, can generate revenue.

For example, as part of the province's debt management program, the Provincial Treasury can borrow funds at a fixed interest rate, enter into an "interest rate swap" to convert the fixed interest payments to a floating interest rate obligation, and invest the funds in an asset of equal term which more than offsets the floating rate obligation. In this way, revenue is generated.

As another example, the province can borrow funds in the U.S. dollar market, eliminate all currency exposure through a "forward contract", invest the funds at a higher interest rate, and, without assuming market risk, create net revenue.

Payment and Collection Systems

The province continues to work on alternative payment and collection methods for its expenditures and revenues. The intention is to improve cash management by reducing time delays in receiving credit for funds deposited and reducing bank service charges and administration costs while increasing customer convenience. Electronic Data Interchange, various card technologies, and remittance processing through the banking networks are some examples.

Creation of Security Lending Market

The custody and safekeeping of the province's bond and equity portfolios were moved to the private sector in Vancouver during the year, in order to assist in the creation of a security lending market. A Vancouver loan post for bonds opened in March 1990, and a similar office for equities will open in July 1990. To support these activities, the province and its agents are working with the Canadian Securities Lending Association to establish a lending and educational group in Vancouver.

Atlin Banking Service

In October 1989, Provincial Treasury entered into a one-year contract with a chartered bank to provide services to the residents of Atlin, a community situated in the northwest corner of British Columbia. This contract is unique in that banking services are

being offered through the government agent's office with support from the bank's office in Whitehorse. Prior to this new service, the community had to rely on banks in Whitehorse—several hours away by road. The project will be reviewed in September 1990.

Investment Management

Traditionally, the Ministry of Finance and Corporate Relations has invested pension funds under its administration in federal and provincial debentures and in high quality short-term securities. In consultation with representatives of the various pension plans, the ministry determined it was prudent and desirable to diversify the type of investments held by the pension funds.

An investment diversification strategy was designed which will enhance investment returns while reducing the risk to each pension fund. Three pension funds have begun to diversify their portfolios to date. This initiative has expanded current investment activities to include Canadian "blue chip" equities, corporate debentures, and real estate. The addition of mortgages and international securities are planned.

Legislation was passed in the 1989 session of the legislature allowing the Investments Branch to proceed with investment diversification for certain funds.

Centralized Loan Administration and Collection

The Loan Administration Branch was formed during 1989/90 to centralize the administration and collection of loans and loan guarantees for a number of ministry programs. The objective of the branch is to improve the documentation, monitoring and collection of loans and loan guarantees, improve consistency, and take advantage of economies of scale. At March 31, 1990, the branch had responsibility for over 24,000 loans and loan guarantees with a value in excess of $540 million. This portfolio includes second mortgages, commercial loans (residual to the privatization of British Columbia Enterprise Corporation), and certain loans advanced through three ministries: Advanced Education and Training; Regional and Economic Development; and Agriculture and Fisheries.

Home Mortgage Assistance Program

In June 1989, the province introduced the British Columbia Home Mortgage Program (MAP), as the successor to the British Columbia Second Mortgage Program. The program, administered by the Loan Administration Branch, is designed to help eligible home buyers by providing up to $12,000 for a mortgage guarantee.

By the end of the fiscal year, $94.6 million had been approved in mortgage guarantees to 8,032 home buyers. The program is currently growing at the rate of 600 to 800 guarantees per month.

Principal Trust Compensation

During the year, the Loan Administration Branch was responsible for the design, development and administration of the payment of $25 million in claims to 28,000 B.C. Principal Trust investors. This project is estimated to be completed by September 1990.

Revenue Division

The Revenue Division administers the province's major tax legislation and ensures provisions of this legislation are fairly and consistently applied.

Consumer Taxation Branch

- administers the *Social Service Tax Act, Hotel Room Tax Act, Tobacco Tax Act, Motor Fuel Tax Act* and *Horse Racing Tax Act* through 15 district offices — Victoria, Penticton, Vancouver, Kamloops, Williams Lake, Cranbrook, Prince George, Kelowna, Dawson Creek, Terrace, Nanaimo, Nelson, Vernon, Campbell River, and Chilliwack;
- registers businesses which collect taxes on behalf of the province;
- audits and inspects those businesses' tax collection records;
- carries out office audit and collection programs; and,
- provides public information on the legislation administered by the branch.

Income Taxation Branch

- administers the *Income Tax Act, Corporation Capital Tax Act, Logging Tax Act, Mining Tax Act, Insurance Premium Tax Act*, Part IV of the *Fire Services Act*, and the *Property Purchase Tax Act*;
- assists Revenue Canada as required under the *Income Tax Act* (Canada)[1]; and,
- approves tax incentives under the *Small Business Venture Capital Act*, the *International Financial Business (Tax Refund) Act*, and the *Employee Investment Act*.

Real Property Taxation Branch

- issues over 350,000 annual and supplementary real property tax billings in rural areas of the province under the authority of 14 provincial statutes, including the *Taxation (Rural Area) Act, School Act*, and the *Municipal Act*;
- collects delinquent taxes due and payable through functional direction of 60 government agents located throughout the province;
- approves grant applications under the *Home Owner Grant Act* from home owners in rural areas, and manages the *Land Tax Deferment Act* for applicants in all areas of the province; and,
- conducts tax billings and compliance reviews on 149 municipalities which collect and remit non-residential school taxes under the *School Act*.

[1] Under a tax collection agreement, the federal government collects personal and corporate income taxes on behalf of the Government of British Columbia.

Revenue Administration Branch

- provides tax administration and accounting services for the division and collects current and deliquent taxes under 11 taxation statutes;
- provides the division with information and office support systems and services.

Activity Measures

ACTIVITY	1987/88	1988/89	1989/90
Taxes Paid			
• Consumer tax	$2,194 million	$2,469 million	$2,882 million
• Income tax[1]	$292 million	$402 million	$472 million
• Real property tax[2]	$279 million	$295 million	$316 million
• Municipal non-residential school tax	$315 million	$366 million	$396 million
Total	$3,080 million	$3,532 million	$4,066 million
Tax Returns and Payments[3]	1,127,000	1,182,000	1,163,000
• Number received and processed			
Collection Activities			
• Payments collected	$41.3 million	$36.7 million	$58.8 million
- Value	32,290	31,851	39,867
- Number			
• Accounts under collection (average)	$45.8 million	$47.2 million	$38.6 million
- Value	7,909	7,396	6,638
- Number			

[1] The substantial increase is mainly attributable to property purchase tax.

[2] Net of home owner grants.

[3] The number of full-time equivalents managing and handling returns and collections as at March 31, 1990, was 85.5.

Rural Property Taxation Information

YEAR	Number of Rural Tax Accounts	General Provincial Taxes Levied	School Taxes Levied	Local Government Taxes Levied	Other Taxes Levied
			($ millions)		
1981	285,000	29.2	197.3	38.9	2.5
1982	294,000	36.1	230.4	47.1	2.7
1983	301,000	32.6	231.8	50.8	2.7
1984	304,000	34.0	227.1	54.9	2.9
1985	306,750	38.1	215.2	57.2	3.0
1986/87	320,840	36.7	207.1	62.4	4.4
1987/88	301,897[1]	35.9	199.1	66.1	3.3
1988/89	302,766	35.4	215.9	72.9	3.4
1989/90	304,253	45.6	231.1	77.8	3.8

The number of full-time equivalents (including temporary staff) dedicated to managing accounts and collecting taxes was 22.1 at March 31, 1990. Local government taxes include those for improvement districts, regional districts, hospital districts, library districts and similar levies.

Home Owner Grants in Rural Areas

Year	Applications	Total Grants Approved
1981	85,590	$33,900,000
1982	85,956	$34,493,000
1983	84,967	$36,261,000
1984	111,335	$37,248,000
1985	113,000	$37,500,000
1986/87	120,326	$38,765,000
1987/88	101,004[2]	$34,179,000
1988/89	104,933	$37,648,000
1989/90	104,274	$43,405,000

The land tax deferment program is administered under the *Land Tax Deferment Act (1974)*. The program allows eligible taxpayers (60 years old or over, a widow or a widower, or a handicapped person as defined in the *Guaranteed Available Income for Need Act*) in both rural and municipal areas to defer payment of property taxes. For the 12-month period ending March 31, 1990, $5,185,000 in property taxes were deferred. At the end of the year there were 3,662 agreements in effect with accounts receivable of $22,800,000. Costs are recovered from simple interest charges applied to deferred property taxes when deferral agreements are paid out.

[1] The drop in rural tax accounts is due to a number of rural areas incorporating into municipalities.

[2] An increase in the minimum tax payment requirement resulted in fewer home owner grant applications.

ACTIVITY	1987/88	1988/89	1989/90	COMMENTS
Consumer Taxation				
• Number of registered accounts				The number of Consumer Taxation Branch full-time equivalents increased from 168 in 1988/89 to 178 in 1989/90.
- Social Service Tax Act	72,810	73,944	75,985	
- Hotel Room Tax Act	1,993	1,946	1,971	
- Tobacco Tax Act	63	57	59	
- Motor Fuel Tax Act	2,704	2,769	3,040	
• Number of audits conducted	3,135	2,866	2,980	
Total audit recovery	$22,125,435	$17,067,355	$23,696,269	
Income Taxation				
• Number of audits conducted	2,737[1]	5,194[2]	10,630	The number of Income Taxation Branch full-time equivalents increased from 16 to 19, due to the introduction of the property purchase tax.
Total audit recovery	$3,662,096	$7,492,733[2]	$7,529,738	

[1] These figures reflect a phasing down of the corporation capital tax program.

[2] Includes audits and recovery under property purchase tax.

International Financial Business

In conjunction with Corporate Relations the Income Taxation Branch developed and implemented regulations and administrative procedures pertaining to the *International Financial Business (Tax Refund) Act*.

Under the program, approved businesses, specialists and eligible employees may earn rebates on their provincial income tax—provided they engage in an approved international business activity which is new to Vancouver.

Thirty-eight businesses, three specialists, and thirty-two employees were registered with the Income Taxation Branch as of March 31, 1990.

Employee Investment Act

Working with the Ministry of Regional and Economic Development, the Income Taxation Branch assisted in the development and implementation of the *Employee Investment Act*.

Under this program, employees in registered businesses can earn income tax credits on their share investments in those businesses. To date, 102 employees in four businesses have made investments totalling $374,000.

High Ratio Financing Tax Relief

During the year, the government introduced a new program of assistance for people purchasing moderately-priced homes (under $150,000) and who had down payments of less that 25 per cent of the total cost. In order to help with the home purchase, the government forgave a portion of the property purchase tax—providing the purchasers lived in the home for at least a year and complied by certain conditions. As of March 31, 1990, the number of participants in the program totalled 18,626, and taxes foregone totalled $8,116,051.

Social Service Tax Exemption for Registered Indians—Extension to Designated Reserve Lands

In response to changes in the *Indian Act* (Canada), the Consumer Taxation Branch established a program to provide registered Indians with a point-of-sale exemption from social service tax on purchases which take place on designated reserve land. (Designated reserve lands are tracts of reserve land that are leased to non-band members and generally used for commercial development.)

At the request of an Indian band, the Consumer Taxation Branch will contact each retailer located on the band's designated land, outline procedures and provide written authorization for them to make exempt sales to registered Indians and Indian bands. The program is currently operating on designated land in Duncan, Sechelt, Kamloops, Penticton and Vancouver (in the Park Royal Shopping Center).

The purchase of liquor from outlets on reserves is not eligible for the point of sale exemption. Instead, bands with

retail liquor outlets on their designated lands may enter into liquor tax revenue-sharing agreements with the province. Under the agreement, the band imposes a band tax equal to the provincial tax. The province collects both the band tax and the provincial tax, and returns to the band an agreed-upon portion of the collected tax which represents purchases made by registered Indians. Negotiations to establish such agreements are currently underway with several bands.

These two programs provide registered Indians with the benefits to which they are entitled under the *Indian Act*, while simultaneously minimizing the potential for abuse which is inherent with any broad exemption.

Introduction of Supplemental Home Owner Grant and Referendum School Taxes

In early 1990, the government introduced a Supplemental Home Owner Grant to be applied to 1990 property taxes. The purpose of the grant was to relieve school taxes not offset by the basic home owner grant structure.

A provision was also made for school districts to raise additional tax revenues from residential taxpayers, subject to the passing of a referendum of local voters.

These changes required significant reprogramming of the complex and inter-related computer systems of the Real Property Taxation Branch, which creates property tax billing and accounts receivable information for over 300,000 rural area taxpayers in the province. A large training and communication effort was undertaken for staff of the 60 government agent offices which collect rural area property taxes on behalf of the Real Property Taxation Branch.

Audit Selection Program

During 1989, the Consumer Taxation Branch implemented a centralized audit selection program, allowing improved targeting of businesses for audit and more efficient use of audit resources. This program resulted in increased audit recovery; its use will be expanded in 1990/91.

Communications Branch

This branch is responsible for the public affairs of all divisions of the Ministry of Finance and Corporate Relations, and acts on a consulting basis for the public affairs of the minister and for the two commissions reporting to the minister.

It is the mandate of the Communications Branch to facilitate the two-way communication process between the ministry and its various publics: British Columbia taxpayers, ministry staff, other ministries, other governments, special interest groups, industry, the media and the general public.

The mandate is achieved through the use of the tools of public relations as they relate to the ministry of Finance and Corporate Relations.

Issues Management

- in consultation with the minister, deputy minister, and the Public Affairs Bureau, the branch prepares communications strategies for specific issues facing the ministry.

Media Relations

- the branch is the first contact for all media requests to the ministry and to the minister;
- screens all media requests for information or interviews and then refers them to the most appropriate ministry spokesperson;
- ensures that ministry media spokespeople are trained in media relations;
- responds to an average of 50 requests from the media per month; and,
- undertakes to initiate positive news coverage through proactive planning of news stories, and the effective writing and distribution of news releases.

Speeches

- produces speaking notes for most of the minister's engagements; and,
- updates a file of speech facts, on a wide range of ministry topics, for use by ministry officials or by other ministers requiring speaking material on topics in finance and corporate relations.

Publications

- the branch coordinates the 38 annual ministry publications[1] by consulting with the originating division or branch on content, tone, design, layout, printing, and distribution; and,
- for a number of publications, the branch assumes full responsibility for these functions.

[1] A list of ministry publications appears on page 83.

Advertising

- places and coordinates all requests for advertising.

Special Events

- coordinates news conferences, seminars, public meetings and other special events, a number of which are associated with the release of the annual provincial budget.

Information Requests

- operates as the information clearing house for the ministry;
- receives an average of 16 written or telephone requests per day from businesses, libraries, schools, other government departments and the general public, requesting publications or specific information on government finances, the economy or legislation relating to this ministry; and,
- meets most of these requests, with only a small number requiring referral elsewhere.

Activity Measures

ACTIVITY	1989/90
Media Calls	
• Number of media calls handled	600
Speeches	
• Number of speaking notes written	55
News Releases	
• Number of news releases written and distributed	89
Publications	
• Number of publications coordinated or produced by the branch	38
Media Training	
• Number of people attending media training courses during 1989/90	34

In addition to the ongoing communications functions of the ministry, key project priorities of the branch during 1989/90 included:

The Provincial Budget and Budget Open Houses

The branch developed and executed the 1990 Provincial Budget communications plan using strategies such as the production and distribution of the speech, media kits, and a number of associated documents, and the planning and coordination of news conferences, speaking engagements, media lock-up, regional open houses, and the minister's reception.

Ministry Crisis Communications Plan and Media Relations Policy

During the year, the branch developed a ministry crisis communications plan and a ministry media relations policy, in conjunction with the 1990/91 ministry communications plan.

Media Relations Training

In 1989/90, the branch, in conjunction with Human Resource Services, began a series of media relations training for all designated ministry media spokespeople.

Ministry Publications Review

In May 1989, a publications review committee was established in order to re-evaluate all of the ministry's publications. During the year many publications were culled and others were combined with one or two other publications.

The Communications Branch is continuing to assist in this effort. Ongoing research will determine usage and relevance of ministry publications, and to assist in a decision of whether to privatize distribution.

Principal Group, FICOM and PPSA Communications Plans

The Communications Branch assisted with the execution of the Principal Group investors compensation communications strategies, advised on the Personal Property Security Act communications plan, and consulted on a public relations/communications plan for FICOM.

Government Personnel Services Division Publication

During the year, Communications Branch consulted with Government Personnel Services Division on the redesign of the government *Postings* publication for employment vacancies.

British Columbia Securities Commission

The British Columbia Securities Commission is a statutory body reporting to the Minister of Finance and Corporate Relations.

Its function is to:

- promote the growth and development of British Columbia's securities industry consistent with the government's economic objectives;
- protect investors from fraud, misconduct or manipulation in the securities industry;
- ensure that investors have timely and reliable information to help them make informed investment decisions;
- maintain standards of fair conduct in dealings with and among participants in the securities market;
- develop and maintain securities policies, regulations and legislation, and participate with other provincial and international securities administrators in their uniform development; and,
- ensure that policies and operations of the Vancouver Stock Exchange are consistent with the goals of the Commission and provide an open and efficient public market for listed shares.

The Commission is divided into the Commission Proper—consisting of the chairman and commissioners—and the commission staff, headed by the Superintendent of Brokers.

Commission Proper

- administers the *Securities Act* and the *Commodity Contract Act*;
- acts as a quasi-judicial tribunal in hearing matters arising under this legislation;
- establishes policies governing the interpretation and administration of the legislation; and,
- advises the Minister of Finance and Corporate Relations on securities legislation and related matters.

Superintendent of Brokers

- responsible for the daily administration of legislation and policies;
- advises the Commission on policy and administrative matters;
- brings matters before the Commission in formal hearings; and,
- manages Commission staff through six departments, each headed by a deputy superintendent.

Policy and Legislation

- provides policy advice to the Commission Proper and to the Superintendent of Brokers; and,
- prepares legislation, regulations, policy discussion papers and policy statements.

Corporate Finance

- reviews prospectuses and other disclosure documents to ensure compliance with securities legislation and policy; and,
- authorizes distribution of securities under prospectuses, statements of material facts and rights offerings.

Compliance and Enforcement

- monitors securities industry and market activity to enforce compliance with legislation and policy;
- undertakes investigations and other enforcement activities under the legislation, both directly and in conjunction with other regulatory and enforcement bodies; and,
- prepares evidence and background material for hearings before the Commission.

Exemptions and Orders

- processes all applications for exemption from particular registration, disclosure, reporting and filing requirements under the legislation.

Registration and Statutory Filings

- processes applications for granting, renewing, reinstating or amending registration of firms and individuals engaged in trading, advising or underwriting under the legislation;
- ensures each reporting company files continuous, up-to-date and accurate reports of its operations, including:
  - financial statements;
  - quarterly reports (required from companies listed on the Vancouver Stock Exchange);
  - insider trading reports;
  - information circulars and other material distributed to shareholders; and,
  - reports of material changes in affairs.

Finance and Administration

- provides financial, administrative and personnel services;
- maintains public records on issuers and registrants under the legislation;
- distributes Securities Commission publications and information to the public;
- provides library services to the Commission; and,
- maintains all paper and electronic filing and distribution systems.

Activity Measures

ACTIVITY	1987/88	1988/89	1989/90
Compliance and Enforcement			
Orders Issued			
• Investigation orders	5	19	23
• Superintendent's orders	n/a[1]	10	54
• Audit orders	2	1	0
• Freeze orders	4	6	0
• Cease trade orders (s.144)	53	12	8
• Removal of trading rights	8	43	36
• Removal of directors/officers	n/a[2]	28	44
Investigation/Complaint Files			
• Files opened	850	1,233	759[3]
• Files closed	991	917	674
Corporate Finance			
• Prospectuses accepted	862	670	885
• Statements of material facts accepted	145	24	58
Exemptions and Orders			
• Decisions and orders issued	1,243	705	552
• Reports of exempt distributions filed	2,476	3,321	3,104
Hearings	20	17	8[4]

[1] The power of the Superindendent to order the production of records maintained by a registrant under the *Securities Act* and the *Securities Regulation* in connection with the investigation of any matter relating to trading in securities in the province or another jurisdiction became effective September 1, 1988.

[2] The power of the Commission or the Superintendent to order, after a hearing, that a person resign or be prohibited from acting as a director or officer of any issuer became effective September 1, 1988.

[3] Decrease due to a change in the way files are classified as "complaints", as opposed to "information".

[4] Decrease due to a greater number of settlements being approved by the Superintendent.

ACTIVITY	1987/88	1988/89	1989/90
Registration and Statutory Filings			
Registration/Licences Issued			
• Securities Act	3,067	3,272 [1]	2,859
• Commodity Contract Act	307	166	292
Registration/Licences Outstanding (as at March 31, 1990)			
• Securities Act	4,757	5,235 [1]	5,546
• Commodity Contract Act	356	355	327
Suspensions/Cancellations			
• Securities Act	3	7	2
• Commodity Contract Act	0	0	0
Cease Trade Orders Under Section 146 (failure to file required records)	86	175	456 [2]
Cease Trade Orders Revoked	73	149	192

[1] Amendments to the *Securities Regulation*, effective September 1, 1988, permitted the entry of banks and trust companies into the securities industry. This is reflected in the increase in registrants under the *Securities Act* in 1988/89.

[2] Increase due to more active enforcement against delinquent filers.

Securities Act Amendments: Enforcement Amendments

Significant amendments to the *Securities Act* were passed in 1989/90, representing a major step in the maintenance of a strong and effective securities regulatory system in British Columbia.

The *Securities Amendment Act*, came into force on November 1, 1989. Enforcement amendments increase the penalties imposed for contravention of the *Securities Act* and provide the Securities Commission with additional powers and sanctions. Specifically:

- the maximum fine imposed by a court upon conviction of an offence is increased from $100,000 to $1,000,000, or, for insider trading offences, the greater of $1,000,000 or triple the profits earned from the illegal activity. Although the maximum term of imprisonment has been reduced from five years to three, a court is now able to impose both a fine and imprisonment;
- the range of offences is expanded to include failure to file required records and the contravention of prescribed sections of the regulations;
- the Commission is given additional power to:
  - impose an administrative penalty of up to $100,000;
  - order that a person comply with or cease contravening the *Securities Act*, the regulations, a decision of the Commission or a bylaw, rule or decision of a stock exchange or self regulatory body; and,
  - order that a registrant or issuer distribute, amend and distribute, or cease the distribution of specified information to the public;
- Commission orders may be registered in the Supreme Court and thereby become of the same force and effect as judgements;
- the limitation period for proceedings under the *Securities Act* is extended from two years after the relevant facts became known to the Commission to six years from the occurrence of the events giving rise to the proceedings;
- stricter procedures are imposed with respect to search and seizure powers in investigations; and,
- stock exchanges, self regulatory bodies, registrants, issuers and custodians of mutual funds are required to provide any information or records that are requested from them by the Commission.

Fair Trading Amendments to Securities Act

Fair trading amendments provide prohibitions against unfair or improper trading practices. Specifically:

- the prohibition against insider trading and tipping is made uniform with that of Ontario;
- trading transactions or schemes that create a misleading appearance of trading activity or an artificial price

for securities, or that perpetrate a fraud, are prohibited; and,

- the requirement for the declaration of short sales has been clarified by setting out specific situations where a short sale must be declared.

Take Over Bid Amendments and Miscellaneous Amendments

Take over bid amendments make the *Securities Act* provisions in respect of take over bids and issuer bids uniform with those of Ontario, Alberta and Saskatchewan.

Miscellaneous amendments solve problems which have arisen concerning definitions, prospectuses and exemptions from the registration and prospectus requirements.

Exempt Purchasers

Local Policy Statement 3-15, Exempt Purchaser Status, came into effect on July 15, 1989. The policy sets out the criteria to be met and the procedures to be followed by a person seeking designation as an exempt purchaser. Exempt purchasers are institutions such as banks, trust companies, credit unions, mutual funds or pension funds, which, because of their sophistication and experience, are authorized to purchase securities on an exempt basis.

Rules for Proceedings

Local Policy Statement 3-12, Rules for Proceedings, came into effect on February 1, 1990. The policy provides a well-organized and comprehensive consolidation of the rules that apply to hearings and other proceedings before the Commission. These rules include those contained in the *Securities Act* and the *Securities Regulation* as well as additional rules established by the Commission.

Trading Share Guidelines

Local Policy Statement 3-07, Policy Guidelines Respecting Trading Shares, Performance Shares and Other Consideration, came into effect on March 1, 1990. The policy sets out guidelines for the issuance of shares and the payment of consideration for assets by an issuer that intends to do an initial public offering and obtain a listing on the Vancouver Stock Exchange. These new rules set reasonable limits on pre-prospectus share issuances while providing the issuer's principals with a certain assurance of control during the formative stages of the issuer's development.

International Cooperation

The increasing internationalization of securities markets has required the Commission to look beyond the boundaries of the province in order to ensure the continued efficiency and effectiveness of its regulation.

In September 1989, the Securities Commission became an associate member of the International

Organization of Securities Commissions (IOCSO), joining the Ontario and Quebec securities commissions which were among the founding members of the organization. IOSCO, which has more than 50 members, has been established to:

- promote the development of better-regulated and efficient securities markets, at the domestic and the international level;
- establish consistent standards for, and ensure effective surveillance of international securities transactions; and,
- exchange information in order to promote the development of domestic markets and the vigorous enforcement of domestic securities laws.

During 1989/90, the Securities Commission also expanded its role in the North American Securities Administrators Association (NASAA). Members and staff of the Securities Commission now sit on three NASAA committees: International Enforcement, Enforcement Policy and Tender Offers (Take Over Bids).

Financial Institutions Commission

The Financial Institutions Commission (FICOM) is a statutory body reporting to the Minister of Finance and Corporate Relations.

The overall objective of FICOM is to foster public confidence in the British Columbia financial services sector and to enhance its efficiency, stability and growth. This will be achieved by developing and maintaining a fair and effective regulatory environment, and by providing insurance for deposits and non-equity shares in credit unions at a reasonable cost.

FICOM was established in November 1989 when the Office of the Superintendent of Financial Institutions was merged with the Credit Union Deposit Insurance Corporation (CUDIC) to prepare for the proclamation of the *Financial Institutions Act*. During this transition period, the Superintendent of Financial Institutions continued to exercise statutory powers under existing legislation. CUDIC continues to have legal authority to exercise its statutory powers under the *Credit Union Act*.

FICOM's staff is organized into three branches which report to the chairperson.

Superintendent of Financial Institutions

- is responsible for the daily administration of legislation and policy;
- provides advice to FICOM on administration, compliance and policy matters; and,
- brings matters before FICOM in formal hearings.

Executive Director of Operations

- examines financial institutions and reports results to the Superintendent of Financial Institutions;
- provides supervision to those financial institutions in financial difficulty;
- analyses financial institutions' lending policies and procedures; and,
- manages CUDIC affairs.

Executive Director of Finance and Systems

- provides financial and personnel services to FICOM;
- maintains all paper and electronic filing and distribution systems; and,
- develops computer hardware and software systems.

Activity Measures

ACTIVITY	1987/88	1988/89	1989/90
Trust Companies			
• Number of B.C. trust companies	3	5	4
• Number of extraprovincial trust companies	66	65	64
• Total deposits in B.C.	4.1 billion	5.0 billion	6.1 billion
Insurance			
• Number of B.C. insurance companies	11	11	13
• Number of extraprovinical insurance companies	345	341	351
• Number of captive insurance companies	0	9	12
• Insurance agencies	1,064	2,016	2,327
• Insurance salespersons	8,278	7,509	7,708
• Insurance adjusters	419	441	459
• Number of reciprocal exchanges	3	2	2
Real Estate			
• Real estate salespersons	9,188	11,349	15,004
• Real estate agents	2,456	2,576	1,075
• Mortgage brokers	140	155	150
• Sub-mortgage brokers	288	325	348
• Strata plans	638	853	1,038
• Disclosure statements and amendments	677	859	1,094
Corporate Investigations			
• Files investigated	1,396 [1]	350	333
• Prosecutions	11	26	18
• Orders and searches	36	52	69
International Financial Businesses			
• Number of registrants	0	11	36

ACTIVITY	1987/88	1988/89	1989/90
Credit Unions			
• Number of credit unions	122	118	112
• Total assets	$7.4 billion	$8.2 billion	$9.7 billion
• Members' deposits	$6.8 billion	$7.6 billion	$8.8 billion
• Equity shares and retained earnings	$140 million	$187 million	$267 million
• Number of members	989,936	997,974	1,090,712
• Number of credit unions under supervision	22	19	16
• Total assets under supervision	$2.0 billion	$1.3 billion	$1.0 billion

[1] Includes securities investigations during fiscal year 1987/88; responsibility for securities investigations transferred to the Securities Commission in December 1987.

Statutes Administered

Deputy Minister

- Auditor General Act

Corporate Relations

- Book Accounts Assignment Act
- Chattel Mortgage Act
- Company Act, except s. 348
- Company Clauses Act
- Cooperative Association Act
- Creditor Assistance Act
- Mobile Home Act
- Partnership Act
- Personal Property Security Act
- Repairers' Lien Act
- Sale of Goods on Condition Act
- Savings and Loan Associations Act
- Society Act
- Warehouse Lien Act
- Warehouse Receipt Act
- Woodworker Lien Act

Government Personnel Services Division

- Public Service Act
- Public Service Labour Relations Act

Office of the Comptroller General

- Financial Administration Act
- Financial Information Act
- Supply Act (Annual)

Planning and Statistics

- British Columbia Statistics Act

Provincial Treasury

- Bonding Act
- British Columbia Enterprise Corporation Loan Privatization Act
- British Columbia Railway Finance Act
- Deficit Repayment Act
- Educational Institution Capital Finance Act
- Home Mortgage Assistance Program Act
- Home Purchase Assistance Act
- Home Acquisition Act
- Homeowner Interest Assistance Act
- Home Conversion and Leasehold Loan Act
- Hospital District Finance Act
- Housing Construction (Elderly Citizens) Act
- Pacific North Coast Native Cooperative Act
- Provincial Debt Refinancing Act
- Public Service Bonding Act
- School District Capital Finance Act

Revenue Division

- British Columbia Payment to Canada of Federal Income Tax on Behalf of Natural Gas Producers Act
- Corporation Capital Tax Act
- Esquimalt and Nanaimo Railway Belt Tax Act
- Horse Racing Tax Act
- Hotel Room Tax Act
- Income Tax Act
- Insurance Premium Tax Act
- Land Tax Deferment Act
- Logging Tax Act
- Mining Tax Act
- Motor Fuel Tax Act
- Property Purchase Tax Act
- Social Service Tax Act
- Taxation (Rural Area) Act
- Tobacco Tax Act

Treasury Board Staff

- Assessment Act
- British Columbia Enterprise Corporation Financial Restructuring Act
- Budget Stabilization Fund Act
- Compensation Stabilization Act
- Privatization Benefits Fund Act
- Provincial Municipal Partnership (Taxation Measures) Act
- Rate Increase Restraint Act
- Special Accounts Appropriation and Control Act
- Special Appropriations Act
- Tourist Accommodation (Assessment Relief) Act

British Columbia Securities Commission

- Commodity Contract Act
- Securities Act
- Securities (Forged Transfer) Act
- Vancouver Stock Exchange Act

Financial Institutions Commission

- Condominium Act, except all matters affecting the powers and duties of the Registrar of Titles
- Credit Union Act
- Insurance Act
- Insurance (Captive Company) Act
- Insurance (Marine) Act
- International Financial Business Act
- International Financial Business (Tax Refund) Act
- Mortgage Brokers Act
- Mutual Fire Insurance Companies Act
- Real Estate Act
- Trust Company Act

Please note this list of statutes is current to March 31, 1990.

Ministry Publications

Administration and Support Services

- Suggestion Awards Program (brochure)

Communications Branch

- Budget 1990 brochures:
  - Budget-in-Brief
  - Education Funding and Your Property Taxes
  - Science and Technology Fund
  - Sustaining the Environment: Action Now!
  - Transportation and Highways: Freedom to Move
- Ministry of Finance and Corporate Relations Annual Report

Corporate Relations

- Mobile Home Parks in British Columbia
- Registration and Search Guides for Registrants Pursuant to the *Personal Property Security Act*

Government Personnel Service Division

- Postings (tabloid)
- Standards of Conduct (brochure)

Office of the Comptroller General

- British Columbia Public Accounts — Volume I, II, III
- British Columbia Public Accounts Digest
- Interim Financial Statements
- Response to the Report of the Auditor General

Planning and Statistics

- British Columbia Economic Accounts
- British Columbia Economic and Statistical Review
- British Columbia External Trade Report
- British Columbia Manufacturers' Directory
- British Columbia Population Forecast
- British Columbia Regional Index
- Import Replacement Opportunities
- Regional Manufacturers' Directories

Provincial Treasury

- British Columbia Prospectus
- Home Mortgage Assistance Program (brochure)
- Treasury Management (brochure)

Revenue Division

- Land Tax Deferment Program 1990 (brochure)
- Property Purchase Tax (brochure)
- Understanding Rural Property Taxes in British Columbia 1990 (brochure)

Treasury Board Staff

- British Columbia Economic and Statistical Review
- Budget Speech
- Estimates
- Supplement to the Estimates
- Quarterly Financial Reports

British Columbia Securities Commission

- Going Public (brochure)
- Insider Reports (brochure)

Financial Institutions Commission

- Annual Report of the Superintendent of Insurance
- Establishing an International Financial Business in Vancouver
- Forming a Captive Insurance Company